

Number of Credit Cards Used

Americans hold an average of five cards, although one in eight (12%) say they have between 10 or more cards. One percent -- nearly one and a half million people -- of adults have twenty or more credit cards. Not surprisingly, those adults who have achieved the most financially, have the most available credit; nearly one in six Americans (15%) with incomes of \$75,001 and over report having 10 or more cards (Table 1-7).

Q.A16

TABLE 1-7
NUMBER OF CREDIT OR CHARGE CARDS OWNED BY INCOME
Base: All with one or more cards

Q. About how many do you have?

		<u>1993 HOUSEHOLD INCOME</u>				
	<u>Total</u>	<u>\$15000</u> <u>or</u> <u>less</u>	<u>\$15001</u> <u>to</u> <u>\$35000</u>	<u>\$35001</u> <u>to</u> <u>\$50000</u>	<u>\$50001</u> <u>to</u> <u>\$75000</u>	<u>\$75001</u> <u>and</u> <u>over</u>
Base:	759	84	225	153	102	102
Number of cards	%	%	%	%	%	%
1-9	86	95	89	87	77	86
10-19	11	4	9	11	19	13
20 +	1	-	2	3	4	2
mean	5	3	4	5	6	5

CHAPTER 2:

CREDIT APPLICATIONS AND REPORTS

Applying For Credit-Related Services

In the past two years, over half of all adults in the U.S. applied for credit. Fifty-six percent of the population sought a credit card, bank loan, mortgage, store charge account, apartment rental, car loan or other extensions of credit. Almost eight of ten adults (78%) earning \$75,000 and over applied for credit in the past two years. Thirty-nine percent of respondents with a household income of \$15,000 or less, made purchases using some form of lending process (Table 2-1).

Q.A2

**TABLE 2-1
APPLYING FOR CREDIT-RELATED SERVICES BY INCOME**

Q. In the past two years have you applied for, or been considered for any kind of credit card, bank loan, mortgage, store charge account, apartment rental, car loan or other extension of credit by a business, or not?

		<u>1993 HOUSEHOLD INCOME</u>				
		\$15000	\$15001	\$35001	\$50001	\$75001
		or	to	to	to	and
		less	\$35000	\$50000	\$75000	over
Base:	Total	1001	177	300	172	121
	%	%	%	%	%	%
Yes, has applied	56	39	57	64	66	78

Younger adults tend to make use of credit-related services more than those who are older. Equal majorities (66%) of adults aged 18-29 and 30-49 have applied for these services. At the other extreme, just 42% of adults aged 50 and over have recently applied for credit (Table 2-2).

Q.A2

TABLE 2-2
APPLYING FOR CREDIT-RELATED SERVICES BY AGE

Q. In the past two years have you applied for, or been considered for any kind of credit card, bank loan, mortgage, store charge account, apartment rental, car loan or other extension of credit by a business, or not?

	<u>AGE</u>				
	<u>Total</u>	<u>18-29</u>	<u>30-39</u>	<u>40-49</u>	<u>50 +</u>
Base:	1001	239	251	213	292
	%	%	%	%	%
Yes, has applied	56	66	66	58	42

While there are minor differences among racial and ethnic groups in regard to applications for credit extensions, they are not significant. Whites (57%) are somewhat more likely than Blacks (48%) to have applied for these services (Table 2-3).

Q.A2

TABLE 2-3
APPLYING FOR CREDIT-RELATED SERVICES BY RACE

Q. In the past two years have you applied for, or been considered for any kind of credit card, bank loan, mortgage, store charge account, apartment rental, car loan or other extension of credit by a business, or not?

	<u>RACE/ETHNICITY</u>			
	<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Hispanic</u>
Base:	1001	892	89	68
	%	%	%	%
Yes, has applied	56	57	48	53

The Credit Bureau Report

When applications for credit are made, a report may be provided to the lender by a credit bureau. Just over half (53%) of adults who applied for a loan are aware that a credit check was done (Table 2-4).

Q.A3

TABLE 2-4
WHETHER OR NOT CREDIT BUREAU REPORT WAS PROVIDED

Base: All who have applied for credit

- Q. When you apply for credit, creditors like a bank or a store, often purchase from a credit bureau a report of your record of paying bills and loans to see if you are a good credit risk. As far as you know, did your application for credit result in a credit bureau report about you being provided to the creditor, or not?

	<u>Total</u>
Base:	559
	%
Yes, report was provided	53
No, report was not provided	17
Not sure	30

Among credit applicants, adults age 25-29 and 30-39 -- those most likely to have applied for credit -- are the most aware of credit checks being provided to lenders; 63% of each segment say their potential creditors requested verification that they were good credit risks. Older Americans, who are less likely to apply for credit, are less aware of credit-checking processes. Just under half of credit applicants 50-64 (45%) say a credit check was provided, falling to one quarter (26%) of applicants 65 and over (Table 2-5).

Q.A3

**TABLE 2-5
WHETHER OR NOT CREDIT BUREAU REPORT
WAS PROVIDED BY AGE**

Base: All who have applied for credit

Q. When you apply for credit, creditors like a bank or a store, often purchase from a credit bureau a report of your record of paying bills and loans to see if you are a good credit risk. As far as you know, did your application for credit result in a credit bureau report about you being provided to the creditor, or not?

	AGE						
	<u>Total</u>	<u>18-24</u>	<u>25-29</u>	<u>30-39</u>	<u>40-49</u>	<u>50-64</u>	<u>65 +</u>
Base:	559	93	70	174	130	90	40
	%	%	%	%	%	%	%
Yes, report was provided	53	48	63	63	56	45	26
No, report was not provided	17	23	9	16	12	17	32
Not sure	30	29	29	21	32	37	42

Specifically, all respondents -- including those who had not applied for a credit service -- were asked if the company giving them credit should be allowed to use credit bureau reports. An overwhelming ninety-two percent of the public feel that a **creditor** should have access to the credit records of those seeking credit. The same percentage (92%) say that **credit card** companies should be able to check the records of an applicant. These responses represent no substantial differences from those of the public in 1990 (Table 2-6).

Q.A4, A5

TABLE 2-6
TREND LINE OF THOSE SAYING CREDIT CHECKS SHOULD BE DONE

- Q. When people want to borrow money, do you think that the company giving them credit should be able to check on their credit records, or not?
- Q. When people apply for a credit card, do you think that the company issuing the credit card should be able to check on their credit and credit card records, or not?

	<u>1990*</u>	<u>1994</u>
Base:	2254	1001
	%	%
To borrow money	96	92
To apply for a credit card	94	92

* The Equifax Report on Consumers in the Information Age, 1990

The Effects if Credit Reports Were Not Available

The American public was asked about four possible effects if creditors could not obtain credit bureau reports about a consumer's history of paying bills. Very large majorities consider that each effect would be likely to occur:

—Eight-nine percent of all adults feel that "the cost of credit would go up to cover increases in bad debts", is "very likely to" or "probably would" happen.

—It is thought by 85% of the public to be likely -- "very" or "probably" -- that "many businesses would ask for the loan to be secured" .

—Eighty-three percent of Americans believe that "many businesses would cut back on extending credit" is "very likely to" or "probably would" happen.

—And the same percentage (83%) say that "it would probably take several weeks rather than several days to get a loan approved" is "very likely to" or "probably" would happen (Table 2-7).

Q.A6

TABLE 2-7
LIKELIHOOD OF NEGATIVE EFFECTS
IF CREDIT BUREAU REPORTS WERE NOT AVAILABLE

Q. If businesses extending credit could not obtain accurate and relevant national credit bureau reports about a consumer's record of paying bills, how likely do you think it would be that -- [READ EACH ITEM] -- very likely to, probably would, probably would not or not at all likely to happen?

		Very Likely To Happen	Probably Would Happen	Total Would Happen
Base: 1001				
The cost of credit would go up, to cover increases in bad debts	%	43	46	89
Many businesses would ask for the loan to be secured	%	40	45	85
Many businesses would cut back on extending credit, to only the best customers	%	40	43	83
It would probably take several weeks rather than several days to get a loan approved	%	38	45	83

CHAPTER 3:

THE FAIR CREDIT REPORTING ACT; THE PUBLIC'S AWARENESS

It has been over twenty years since the Fair Credit Reporting Act, and debate continues on ways to and whether to amend the law. In the first question of a series on awareness, the public was asked -- in general -- how much they had read or heard about consumer issues involving credit reports and bureaus. Just under one in five adults (17%) say they have read or heard "a great deal". Thirty-six percent say they have read or heard "some things" about these issues and the same percentage (36%) say they have not read or heard much. Ten percent of all Americans report they have read or heard nothing at all about consumer issues involving credit reports.

Those who report a higher household income express more awareness of these issues: Sixty-nine percent of those earning \$75,001 and over say they have read or heard either "a great deal" or "some things" about consumer issues involving credit. A marginal percentage (3%) of people in the two highest reported income brackets -- \$50,001 to \$75,000 and \$75,001 and over -- say they have read or heard nothing at all. Conversely, a mere 10% of those earning \$15,000 or less say they have read or heard a great deal. Nearly one in five (19%) of those reporting a household income in the lowest stratum say they are oblivious to the issues (Table 3-1).

Q.A7

TABLE 3-1
EXTENT PUBLIC HAS READ OR HEARD ABOUT ISSUES
INVOLVING CREDIT REPORTS/BUREAUS BY INCOME

Q. How much have you read or heard in the past few years about consumer issues involving the use of credit reports and operations of credit bureaus -- a great deal, some things, not much or nothing at all?

	<u>1993 HOUSEHOLD INCOME</u>					
	<u>Total</u>	<u>\$15000</u> <u>or</u> <u>less</u>	<u>\$15001</u> <u>to</u> <u>\$35000</u>	<u>\$35001</u> <u>to</u> <u>\$50000</u>	<u>\$50001</u> <u>to</u> <u>\$75000</u>	<u>\$75001</u> <u>and</u> <u>over</u>
Base:	1001	177	300	172	121	106
	%	%	%	%	%	%
A great deal	17	10	15	16	24	29
Some things	36	28	41	41	37	40
Not much	36	42	35	37	36	28
Nothing at all	10	19	9	6	3	3

Across all racial or ethnic groups, over half of all respondents say they have read or heard at least some things about the use of credit reports or the practices of credit bureaus. However, Blacks (25%) exhibit the greatest degree of awareness, with one-fourth (25%) saying they have read or heard a great deal (Table 3-2).

Q.A7

TABLE 3-2
EXTENT PUBLIC HAS READ OR HEARD ABOUT ISSUES
INVOLVING CREDIT REPORTS/BUREAUS BY RACE

Q. How much have you read or heard in the past few years about consumer issues involving the use of credit reports and operations of credit bureaus -- a great deal, some things, not much or nothing at all?

	<u>RACE/ETHNICITY</u>			
	<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Hispanic</u>
Base:	1001	892	89	68
	%	%	%	%
A great deal	17	16	25	19
Some things	36	37	30	34
Not much	36	37	31	33
Nothing at all	10	10	11	14

A few key aspects of the proposed legislation that would change federal rules on credit reporting were explained to those surveyed, prior to a follow-up question on their awareness. Respondents were told that proposed legislation would involve:

- How businesses report to credit bureaus on their customers' debt payments;
- For what business purposes it is proper to use credit bureau information;
- How disputes about the accuracy of (credit report) information are handled.

Most people are not aware of this legislation. Only one-fourth of Americans (25%) say they have read or heard anything about the proposed legislation. A higher percentage of those at the uppermost income range -- \$75,001 and over -- report awareness from print or electronic media (40%). Though upper income Americans are more apt than the general public to be aware of consumer credit issues, they are not as distinctive in their awareness of specific proposed legislation. It bears noting, then, that 53% of all adults have read or heard at least something about consumer issues involving credit reports, but only half as many are aware of proposed legislation (Table 3-3).

Q.A8

TABLE 3-3
WHETHER PUBLIC HAS READ/HEARD ABOUT
PROPOSED LEGISLATION FOR CREDIT REPORTING BY INCOME

Q. Have you heard anything about proposed legislation in Congress to change federal rules on credit reporting? This involves; HOW businesses report to credit bureaus on their customers' debt payments, FOR WHAT business purposes it is proper to use credit-bureau information, HOW disputes about the accuracy of (credit report) information are handled, AND similar issues of fair credit reporting. Have you read or heard anything about this proposed legislation or not?

		<u>1993 HOUSEHOLD INCOME</u>				
		\$15000	\$15001	\$35001	\$50001	\$75001
		or	to	to	to	and
		less	\$35000	\$50000	\$75000	over
Base:	<u>Total</u>	1001	177	300	172	121
	%	%	%	%	%	%
Yes, has read or heard		25	18	23	27	28
						40

The peak of awareness (33%) is found in Americans who are 40-49 years old, a slightly older group than those who are most apt to apply for credit -- the 25-29 and 30-39 groups. A mere 13% of adults aged 18-24 say they have read or heard about the proposed legislation (Table 3-4).

Q.A8

TABLE 3-4
WHETHER PUBLIC HAS READ/HEARD ABOUT
PROPOSED LEGISLATION FOR CREDIT REPORTING BY AGE

Q. Have you heard anything about proposed legislation in Congress to change federal rules on credit reporting? This involves; HOW businesses report to credit bureaus on their customers' debt payments, FOR WHAT business purposes it is proper to use credit-bureau information, HOW disputes about the accuracy of (credit report) information are handled, AND similar issues of fair credit reporting. Have you read or heard anything about this proposed legislation or not?

	AGE						
	<u>Total</u>	<u>18-24</u>	<u>25-29</u>	<u>30-39</u>	<u>40-49</u>	<u>50-64</u>	<u>65 +</u>
Base:	1001	143	96	251	213	174	118
	%	%	%	%	%	%	%
Yes, has read or heard	25	13	22	25	33	29	20

Over a third (37%) of Hispanics say they are aware of the agenda in Congress to amend the Fair Credit Reporting Act. Blacks are second in awareness of the proposed changes to the federal rules, followed by Whites at 24% (Table 3-5).

Q.A8

TABLE 3-5
WHETHER PUBLIC HAS READ/HEARD ABOUT
PROPOSED LEGISLATION FOR CREDIT REPORTING BY RACE

Q. Have you heard anything about proposed legislation in Congress to change federal rules on credit reporting? This involves; HOW businesses report to credit bureaus on their customers' debt payments, FOR WHAT business purposes it is proper to use credit-bureau information, HOW disputes about the accuracy of (credit report) information are handled, AND similar issues of fair credit reporting. Have you read or heard anything about this proposed legislation or not?

	<u>RACE/ETHNICITY</u>			
	<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Hispanic</u>
Base:	1001	892	89	68
	%	%	%	%
Yes, has read or heard	25	24	30	37

CHAPTER 4:

FAIR CREDIT REPORTING; FEDERAL Vs. STATE LAWS

One of the areas in the Fair Credit Reporting Act currently under consideration for reform is how errors in credit reports are handled. Two approaches to reform are currently being discussed by elected officials and experts: one uniform federal law or allowing states to adopt their own laws which can vary from state to state.

Of the varied implications from each approach, those surveyed were asked for their preference in relation to three possible outcomes. The choices were alternated to avoid bias and significant majorities chose "one federal law regulating credit reporting with national rules" over "allowing various states to pass additional laws with different rules". Though this research only measured public response to three implications of credit reform, in all cases the public prefers federal over state legislation:

- Three-fourths of all Americans (76%) feel that less confusion for consumers would result by having one federal law;
- It is believed that one federal law in place would be a more efficient way for consumers to get credit by 68% of the public, and;
- When it comes to accuracy in credit reports, 67% of those surveyed say the best approach is through one federal law (Table 4-1).

Q.A9, A10, A11

TABLE 4-1
IMPLICATIONS OF CREDIT REFORM,
COMPARING FEDERAL AND STATE APPROACHES

Q. American consumers obtain all kinds of loans, including home mortgages, credit cards and retail credit from creditors who lend to consumers located throughout the nation. This system relies on credit bureau reports that provide credit grantors with information on whether individual consumers pay their bills and loans on time. Congress is currently considering legislation to update the 1970 federal law on consumer rights in credit reporting. Which approach do you think would

-- be likely to produce more accurate reports?

-- produce less confusion for consumers?

-- be a more efficient way for consumers to get credit?

[ROTATE]

Having one federal law regulating credit reporting with national rules?

allowing various states to pass additional laws with different rules?

		<u>One Federal Law</u>	<u>Additional State Laws</u>
Base: 1001			
More accurate reports	%	67	28
Less confusion for consumers	%	76	21
More efficient way for consumers to get credit	%	68	28

Even though there is overall approval of federal regulations, there are significant differences in opinion among segments of the population. Regarding **more accurate credit reports**, adults with higher incomes and educational attainment tend to favor federal laws more than adults with lower incomes and levels of education; in fact, approval goes up step by step as income increases:

— **Eight in ten adults in households earning \$50,000 and over favor federal laws as a way to make credit reports more accurate, compared to 59% of those making \$15,000 or less.**

—**While 60% of adults with less than twelve years of education favor federal regulation, a more substantial majority (78%) of adults with post-graduate degrees share that view (Tables 4-2, 4-3).**

Q.A9

**TABLE 4-2
COMPARING FEDERAL AND STATE APPROACHES
FOR ACCURACY, BY INCOME**

Q. American consumers obtain all kinds of loans, including home mortgages, credit cards and retail credit from creditors who lend to consumers located throughout the nation. This system relies on credit bureau reports that provide credit grantors with information on whether individual consumers pay their bills and loans on time. Congress is currently considering legislation to update the 1970 federal law on consumer rights in credit reporting. Which approach do you think would be likely to produce more accurate reports?

		<u>1993 HOUSEHOLD INCOME</u>				
		<u>\$15000</u> or <u>less</u>	<u>\$15001</u> to <u>\$35000</u>	<u>\$35001</u> to <u>\$50000</u>	<u>\$50001</u> to <u>\$75000</u>	<u>\$75001</u> and <u>over</u>
	<u>Total</u>					
Base:	1001	177	300	172	121	106
	%	%	%	%	%	%
One federal law	67	59	66	70	79	80
Additional state laws	28	36	31	25	19	13

Q.A9

TABLE 4-3
COMPARING FEDERAL AND STATE APPROACHES
FOR ACCURACY, BY EDUCATION

- Q. American consumers obtain all kinds of loans, including home mortgages, credit cards and retail credit from creditors who lend to consumers located throughout the nation. This system relies on credit bureau reports that provide credit grantors with information on whether individual consumers pay their bills and loans on time. Congress is currently considering legislation to update the 1970 federal law on consumer rights in credit reporting. Which approach do you think would be likely to produce more accurate reports?

EDUCATIONAL ATTAINMENT

	<u>Total</u>	<u>Less than High School</u>	<u>High School Grad.</u>	<u>Some College</u>	<u>College Grad.</u>	<u>Post Grad.</u>
Base:	1001	73	336	281	219	87
	%	%	%	%	%	%
One federal law	67	60	66	70	68	78
Additional state laws	28	28	32	26	26	15

When asked which approach they felt would produce **less confusion**, fewer Hispanics (68%) than Blacks (72%) and Whites (77%) favor federal laws. An even greater disparity exists between younger and older Americans. At least 80% of all Americans under the age of 50 favor federal laws to lessen confusion for consumers. However, seven in ten adults (71%) age 50 -64 favor federal laws, dropping to 61% among those 65 and over (Tables 4-4, 4-5).

Q.A10

TABLE 4-4
COMPARING FEDERAL AND STATE APPROACHES
TO PRODUCE LESS CONFUSION, BY RACE

- Q. American consumers obtain all kinds of loans, including home mortgages, credit cards and retail credit from creditors who lend to consumers located throughout the nation. This system relies on credit bureau reports that provide credit grantors with information on whether individual consumers pay their bills and loans on time. Congress is currently considering legislation to update the 1970 federal law on consumer rights in credit reporting. Which approach do you think would produce less confusion for consumers?

	<u>RACE/ETHNICITY</u>			
	<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Hispanic</u>
Base:	1001	892	89	68
	%	%	%	%
One federal law	76	77	72	68
Additional state laws	21	21	24	27

Q.A10

TABLE 4-5
COMPARING FEDERAL AND STATE APPROACHES
TO PRODUCE LESS CONFUSION, BY AGE

Q. American consumers obtain all kinds of loans, including home mortgages, credit cards and retail credit from creditors who lend to consumers located throughout the nation. This system relies on credit bureau reports that provide credit grantors with information on whether individual consumers pay their bills and loans on time. Congress is currently considering legislation to update the 1970 federal law on consumer rights in credit reporting. Which approach do you think would produce less confusion for consumers?

		<u>AGE</u>				
	<u>Total</u>	<u>18-29</u>	<u>30-39</u>	<u>40-49</u>	<u>50 +</u>	
Base:	1001	239	251	213	292	
	%	%	%	%	%	
One federal law	76	82	81	71	61	
Additional state laws	21	17	17	25	33	

As a way for consumers to get credit **more efficiently**, younger Americans report a stronger preference for federal over state laws, than older segments of the population. Three-fourths (75%) of all adults 18-29 favor legislation at the federal level to make getting credit easier. Favor for the federal approach declines with age step by step: not quite two-thirds (64%) of adults 50-64 favor federal mandates and this choice is shared by only 62% of those 65 and over (Table 4-6).

Q.A11

TABLE 4-6
COMPARING FEDERAL AND STATE APPROACHES
FOR EFFICIENCY IN GETTING CREDIT, BY AGE

Q. American consumers obtain all kinds of loans, including home mortgages, credit cards and retail credit from creditors who lend to consumers located throughout the nation. This system relies on credit bureau reports that provide credit grantors with information on whether individual consumers pay their bills and loans on time. Congress is currently considering legislation to update the 1970 federal law on consumer rights in credit reporting. Which approach do you think would be a more efficient way for consumers to get credit?

	<u>AGE</u>				
	<u>Total</u>	<u>18-29</u>	<u>30-39</u>	<u>40-49</u>	<u>50 +</u>
Base:	1001	239	251	213	292
	%	%	%	%	%
One federal law	68	75	69	64	62
Additional state laws	28	24	28	32	32

For efficiency's sake, the choice of federal over state laws is also more substantial when made by those making more use of credit and financial services and those with higher incomes. Three-fourths (76%) of those adults reporting a household income of \$50,000 - \$75,000 favor federal legislation to make getting credit easier (Table 4-7).

Q.A11

TABLE 4-7

COMPARING FEDERAL AND STATE APPROACHES
FOR EFFICIENCY IN GETTING CREDIT, BY INCOME

- Q. Which approach do you think would be a more efficient way for consumers to get credit -- Having one federal law regulating credit reporting with national rules?
Allowing various states to pass additional laws with different rules?

		<u>1993 Household Income</u>				
		\$15,000 or <u>Total</u>	\$15,001 to <u>\$35,000</u>	\$35,001 to <u>\$50,000</u>	\$50,001 to <u>\$75,000</u>	\$75,001 and <u>Over</u>
Base:	1001 %	177 %	300 %	172 %	121 %	106 %
One federal law	68	62	68	70	76	73
Additional state laws	28	36	29	27	21	23

A large degree of faith in federal legislation is felt by at least seven in ten of those adults applying for credit or charge cards (70%) (Table 4-8).

Q.A11

TABLE 4-8

COMPARING FEDERAL AND STATE APPROACHES
FOR EFFICIENCY IF GETTING CREDIT, BY CREDIT USERS

Q. Which approach do you think would be a more efficient way for consumers to get credit -- Having one federal law regulating credit reporting with national rules?
Allowing various states to pass additional laws with different rules?

	<u>Total</u>	Yes, Applied For <u>Credit</u>	Yes, Has Credit/Charge <u>Cards</u>
Base:	1001	559	731
	%	%	%
One federal law	68	71	70
Additional state laws	28	27	26

CHAPTER 5:

MARKETING USING CREDIT INFORMATION

The utilization of credit information to solicit customers for a service or product is another component in the discussion of the Fair Credit Reporting Act. The American public was asked a series of questions about such offers. For these questions, an explanation was necessary as a preface. The answers reflect public reaction to the issues as they were described.

Questions about such marketing for this survey were limited to those offers of a financial service coming from subsidiaries of a corporate family with which the consumer has an ongoing relationship, such as a bank (although the word bank was not used).

Nearly two-thirds of all adults (63%) say they find such use of their credit information "very" or "somewhat" acceptable. Seventeen percent see the practice as very acceptable, though almost the same number of adults (20%) say this kind of direct marketing is "not acceptable at all" (Table 5-1).

TABLE 5-1

ACCEPTABILITY OF SHARING CUSTOMER INFORMATION BETWEEN SUBSIDIARIES

- Q. Now I'd like to ask you some questions about offers corporations often make to consumers. For example, one subsidiary or company within a corporate family may want to mail an offer of products or services to customers of another subsidiary or company within the same corporate family, because they believe the customer would be interested in those products or services. Before extending the offer, information about the customer is shared with the subsidiary making the new offer. How acceptable is this use of customer information among subsidiaries of the same corporate family to make offers of services or products? Is it very acceptable, somewhat acceptable, not very acceptable, or not acceptable at all?

	<u>Total</u>
Base:	1001
	%
Very acceptable	17
Somewhat acceptable	46
Not very acceptable	15
Not acceptable at all	20

} 63

Fewer Whites and Hispanics (16% for each group) than Blacks (26%) found the concept of shared-information for credit services "very acceptable". However, the majority of each racial and ethnic group favors this type of direct marketing (Table 5-2).

Q.A12

TABLE 5-2

ACCEPTABILITY OF SHARING CUSTOMER INFORMATION BETWEEN
SUBSIDIARIES, BY RACE

- Q. Now I'd like to ask you some questions about offers corporations often make to consumers. For example, one subsidiary or company within a corporate family may want to mail an offer of products or services to customers of another subsidiary or company within the same corporate family, because they believe the customer would be interested in those products or services. Before extending the offer, information about the customer is shared with the subsidiary making the new offer. How acceptable is this use of customer information among subsidiaries of the same corporate family to make offers of services or products? Is it very acceptable, somewhat acceptable, not very acceptable, or not acceptable at all?

	RACE/ETHNICITY			
	<u>Total</u>	<u>White</u>	<u>Black</u>	<u>Hispanic</u>
Base:	1001	892	89	68
	%	%	%	%
Very acceptable	17	16	26	16
Somewhat acceptable	46	47	41	50
Not very acceptable	15	16	10	17
Not acceptable at all	20	19	21	17

A great deal of willingness to be solicited is reported by adults with less than twelve years of educational attainment: over one-fourth (27%) report that such marketing is "very acceptable" to them. Twenty-six percent of adults with the highest educational attainment say this type of marketing is "not acceptable at all" (Table 5-3).

Q.A12

TABLE 5-3

ACCEPTABILITY OF CUSTOMER INFORMATION
SHARED BY SUBSIDIARIES, BY EDUCATION

Q. Now I'd like to ask you some questions about offers corporations often make to consumers. For example, one subsidiary or company within a corporate family may want to mail an offer of products or services to customers of another subsidiary or company within the same corporate family, because they believe the customer would be interested in those products or services. Before extending the offer, information about the customer is shared with the subsidiary making the new offer. How acceptable is this use of customer information among subsidiaries of the same corporate family to make offers of services or products? Is it very acceptable, somewhat acceptable, not very acceptable, or not acceptable at all?

EDUCATIONAL ATTAINMENT

	Total	Less than High School	High School Grad.	Some College	College Grad.	Post Grad.
Base:	1001	73	336	281	219	87
	%	%	%	%	%	%
Very acceptable	17	27	17	13	17	15
Somewhat acceptable	46	27	49	50	46	41
Not very acceptable	15	19	12	16	17	14
Not acceptable at all	20	18	19	20	17	26

The level of public approval for specific services is consistently high. The offers -- made from a subsidiary to a customer from a corporate sibling -- the public was asked about, were:

- 1) Credit cards to customers who have a checking account;
- 2) Credit cards to customers who have a mortgage;
- 3) Mutual funds to customers who have a checking account or a loan, and;